

Vuzix Adds XOEye Technologies as a Vuzix Industrial Partner (VIP) and Ships its First Developer M300 Smart Glasses in North America

Advance engineering units ship ahead of commercial launch to facilitate software migration

ROCHESTER, NY, July 20, 2016 - Vuzix[®] Corporation (NASDAQ: VUZI), a leading supplier of Video Eyewear and Smart Glasses products in the consumer, enterprise, and entertainment markets, announced today that it has added XOEye Technologies of Nashville, TN, as one of the first Vuzix Industrial Partners (VIPs) in North America. This newly launched, invitation-only enterprise channel support program is exclusive to Vuzix' most successful M100 developers, designed to jointly drive an exponential increase in industrial deployments in 2016, 2017, and beyond. As one part of the program, VIPs can purchase and receive advance engineering access to the new Vuzix M300 Smart Glasses before their commercial deployment. Providing this early access will ensure the M300 has mature application software and existing M100 users will have a viable migration path when the new smart glasses become commercially available.

XOEye Technologies, through its Vision cloud-hosted software solution for integrated field service solution suite, has several of the world's largest deployments of smart glasses, all leveraging the current Vuzix M100 Smart Glasses platform. With this real-world experience comes real quantifiable results, including those from Lee Company's 500-technician M100 deployment, which after just six months is delivering a \$20.11 return for every \$1 Lee invested in XOEye's Vision solution and Vuzix hardware. A client testimonial video can be viewed at the following link: <https://vimeo.com/171586131>

"We are excited about the results Lee Company has experienced. With our addition as a VIP, we expect to support accelerated adoption of the XOEye-enabled Vuzix product as the smart glasses market expands and deployments proliferate. The support the VIP program provides will enable us to execute on a larger scale," commented Aaron Salow, Chief Executive Officer XOEye Technologies.

As a VIP, XOEye recently received early shipment of the first M300 Smart Glasses to begin porting XOEye's Vision software to this new platform. The key features of the new M300, such as improved ergonomics, high-performance Intel chipset, and improved 13 megapixel camera with image stabilization, perfectly align with XOEye's core competency of connecting a client's remote workforce to the company's data systems and expert knowledge base through real-time video and audio collaboration.

"The new ergonomics and features of the M300, which is the next evolution of M100, should propel partner applications such as XOEye's Vision to even larger deployments with existing M100 customers upgrading and adding to a growing customer base for the M300. As Vuzix continues to expand support for our VIPs, it will ensure that our customers receive the best value, in terms of return on investment, mass deployability, and competitive advantage," said Paul Travers, President and Chief Executive Officer at Vuzix.

"Our customers continue to deploy and benefit from the M100 today. At the same time, we are eager to begin development on the M300, as the improved ergonomics and performance are certain to

enhance our customers' experience. XOEye is thrilled to be one of the first Vuzix Industrial Partners, and we look forward to an exciting 2016 and 2017," Mr. Salow continued.

The M300 VIP program surrounding the launch of the new Vuzix M300 Smart Glasses is the latest addition to a series of channel support initiatives by Vuzix. To learn more about the M300 or becoming a VIP, please contact Lance Anderson, VP of Enterprise Sales, at lance_anderson@vuzix.com.

About XOEye Technologies

XOEye Technologies equips field technicians with wearable technology systems that capture and share the right information with the right people at the right time. Through their cloud-based platform Vision, XOEye helps to harness the power of real-time video, audio communication, and content sharing to unlock business opportunities and boost revenue. It will empower teams to make faster, more informed business decisions that can provide customers with an experience that is unmatched. On-site technicians are equipped with smart, safety-certified eyewear devices that run XOEye's custom applications to communicate with experts, connect with decision-makers, document work performed, and increase overall efficiency.

About Vuzix Corporation

Vuzix is a leading supplier of Video Eyewear and M300 Smart Glasses products in the consumer, enterprise and entertainment markets. The Company's products include personal display and wearable computing devices that offer users a portable high quality viewing experience, provide solutions for mobility, wearable displays and virtual and augmented reality. Vuzix holds 43 patents and 23 additional patents pending and numerous IP licenses in the Video Eyewear field. The Company has won Consumer Electronics Show (or CES) awards for innovation for the years 2005 to 2016 and several wireless technology innovation awards among others. Founded in 1997, Vuzix is a public company (NASDAQ: VUZI) with offices in Rochester, NY, Oxford, UK and Tokyo, Japan.

Forward-Looking Statements Disclaimer

Certain statements contained in this news release are "forward-looking statements" within the meaning of the Securities Litigation Reform Act of 1995 and applicable Canadian securities laws. Forward looking statements contained in this release relate to, among other things, and the Company's leadership in the Video Eyewear, VR and AR display and smart glasses industry and the successful applicability and use by VIP partners like XOEye technologies and the market success and acceptance of the M300 Smart Glasses. They are generally identified by words such as "believes," "may," "expects," "anticipates," "should" and similar expressions. Readers should not place undue reliance on such forward-looking statements, which are based upon the Company's beliefs and assumptions as of the date of this release. The Company's actual results could differ materially due to risk factors and other items described in more detail in the Company's Annual Reports and other filings with the with the United States Securities and Exchange Commission and applicable Canadian securities regulators (copies of which may be obtained at www.sedar.com or www.sec.gov), including in the "Risk Factors" and MD&A sections thereof. Subsequent events and developments may cause these forward-looking statements to change. The Company specifically disclaims any obligation or intention to update or revise these forward-looking statements as a result of changed events or circumstances that occur after the date of this release, except as required by applicable law.

Investor and Media Relations Contact:

Andrew Haag

Managing Partner
IRTH Communications
vuzi@irthcommunications.com
[1-866-976-4784](tel:1-866-976-4784)

Vuzix Corporation
25 Hendrix Road, Suite A
West Henrietta, NY 14586 USA
Investor Information – Grant Russell
IR@Vuzix.com
Tel: (585) 359-7562

www.vuzix.com

For further sales, and product information, please visit:

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